

C O N C I L C O M M U N I C A T I O N

TO : THE CITY COUNCIL
 FROM: THE CITY MANAGER'S OFFICE

COUNCIL MEETING DATE
 JULY 19, 1989

SUBJECT: PURCHASE OF COPIER FOR CITY HALL

PREPARED BY: Assistant City Manager

RECOMMENDED ACTION: That the City Council authorize the purchase of an IBM 111-70 copier. Funds for this equipment were included in the 1988/89 budget in the amount of \$17,000. Council is also requested to authorize the appropriation of an additional \$9,020.

BACKGROUND INFORMATION: The 1988-89 budget included funds for the purchase of a photo-copier for City Hall. The Purchasing Agent received proposals on 10 different copiers. Our requirements were that the equipment have a design capacity of 80,000 copies per month, 50 copies per minute, with a 40-bin collator. In addition to cost, we analyzed the cost of operation over a five-year period and the ease of operation. Five vendors met the minimum requirements.

The initial cost and five-year cost for each of the seven is shown below:

Manufacturer and Model.	Initial Cost	Five-Year Cost *
RICOH FT-7060	\$16,159	\$55,479
IBM 111-70	26,021	58,533
XEROX 1065	26,758	67,975
CANON 8580	19,245	58,401
MINOLTA 870	15,126	56,509

* Includes supplies and maintenance agreement for 50,030 copies per month for five years at 5% annual inflation rate.

It is staff's recommendation that the City purchase the IBM 111-70 even though the initial cost and total cost is higher. This recommendation is based on the following operational considerations.

A feature of the IBM is a large flat work area. The others do not have a work area so a work table would be required. Another factor causing operational requirements is the size of the equipment and needed access for servicing. The present copy room has inadequate space to place a table or provide additional space for servicing.

PURCHASE OF COPIER FOR C. HALL
July 19, 1989

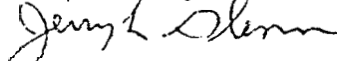
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The cost of all supplies is included in the cost analysis; however, the time of the operators and downtime of the equipment has not been taken into consideration. Toner for the IBM must be replaced every 77,000 copies; for the Ricoh it is every 20,000; the Minolta is every 10,000 and the Canon every 21,000. IBM and Canon do not require developer. The drum life of the IBM is 1,500,000 copies more than twice the life of the closest competitor.

The difference in cost from the IBM to the least expensive is just over \$3,000, a total of 550.00 per month. The ease of operation, the reduced time for resupplying the equipment and the lack of space in the present copy room offsets this additional cost. The Ricoh bid did not include the cost of a user key which is needed to allocate costs to using departments. The cost of that item would add \$300 to the bid price of the Ricoh.

For these reasons we recommend the purchase of the IBM III-70.

Respectfully submitted,



Jerry L. Glenn
Assistant City Manager:

JLG:br

Attachment

COUNC563

BID RESULTS
ADMINISTRATION COPIER
MAY 26, 1989

	<u>RICOH FT-7060</u>	<u>IBM-III/70</u>	<u>CANON NP8580</u>	<u>XEROX 1065</u>	<u>MINOLTA 870</u>
BID PRICE:	\$ 16,159.60	\$ 26,020.88	\$ 19,245.36	\$ 26,728.00	\$ 15,126.20
TERMS:	NET 30	NOT SPECIF.	NET 30	NET 30	NET 30
EST. 5-YR SUPPLIES COST:	9,081.00	1,831.00	16,072.00	10,226.00	12,769.00
EST. 5-YR MAINT. AGRMNT COST:	30,238.00	30,682.00	23,084.00	31,021.00	28,614.00
TOTAL EST. 5-YR COST	<u>\$ 55,478.60</u>	<u>\$ 58,533.88</u>	<u>\$ 58,401.36</u>	<u>\$ 67,975.00</u>	<u>\$ 56,509.20</u>